



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 19, 2011

H.R. 2915 **American Taxpayer and Western Area Power Administration** **Customer Protection Act of 2011**

As ordered reported by the House Committee on Natural Resources on October 5, 2011

SUMMARY

Under current law, the Western Area Power Administration (WAPA) may borrow funds from the Department of the Treasury to finance certain projects for transmitting electric power, subject to a \$3.25 billion limit on the amount of debt outstanding at any time. Projects are eligible for WAPA financing if they have at least one terminus in the geographic areas served by the agency and transmit electricity generated from renewable sources. H.R. 2915 would repeal this borrowing authority, which was provided in the American Recovery and Reinvestment Act of 2009 (Public Law 111-15).

CBO estimates that terminating WAPA's borrowing authority would reduce net direct spending by about \$3 billion over the 2012-2021 period. Pay-as-you-go procedures apply because enacting the legislation would affect direct spending. Enacting this legislation would not affect revenues.

H.R. 2915 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2915 is shown in the following table. The costs of this legislation fall within budget function 270 (energy).

	By Fiscal Year, in Millions of Dollars										2012-	2012-
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016	2021
CHANGES IN DIRECT SPENDING												
Estimated Budget Authority	-350	-1,150	-1,150	-150	-150	-23	0	0	0	0	-2,950	-2,973
Estimated Outlays	-20	-145	-465	-770	-715	-455	-260	-110	-25	-8	-2,115	-2,973

BASIS OF ESTIMATE

Assuming that this legislation is enacted early in fiscal year 2012, CBO estimates that enacting H.R. 2915 would reduce net direct spending by about \$3 billion over the 2012-2021 period. That estimate reflects the agency's estimate of the amount of borrowing authority expected to remain available at the time of enactment. The timing of the estimated savings is based on CBO's projections of WAPA expenditures under current law. CBO expects that most of WAPA's financing activities would occur after 2012 because of the long lead time necessary for planning and siting such projects.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for H.R. 2915 as ordered reported by the House Natural Resources on October 5, 2011

	By Fiscal Year, in Millions of Dollars										2012-	2012-
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016	2021
NET DECREASE (-) IN THE DEFICIT												
Statutory Pay-As-You-Go Impact	-20	-145	-465	-770	-715	-455	-260	-110	-25	-8	-2,115	-2,973

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2915 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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